

Return Address:
Ms. Kathleen C. McCusker
Transnation Title Insurance Company
1200 Sixth Avenue, Suite 1910
Seattle, WA 98101

*Copy sent
to Joe
5/21/98*

Document Title(s) (or transactions contained therein):

Ground Lessor's Estoppel Certificate

Reference Number(s) of Documents assigned or released:
(on page one of document(s))

Grantor(s):

- 9804101704 21
1. Sabey Corporation
 2. Northwestern Trust and Investors Advisor Company, successor Trustee
 3. Suzanne M. Hittman, Co Trustee
 4. Jacqueline E. Daneli, Co-Trustee

Grantee(s):

1. ITLA Funding Corporation

FILED FOR RECORD AT THE REQUEST OF
TRANSNATION TITLE INSURANCE CO.

Legal description (abbreviated):

Lot 1 of Boundary Line Adjustment No. L96-002 recorded under Recording
Number 9707090733

Assessor's Property Tax Parcel/Account No.:

042304-9016

The Auditor/Recorder will rely on the information provided on the form. The staff will not read
the document to verify the accuracy or completeness of the indexing information provided herein

980410-1704 03:26:00 PM KING COUNTY RECORDS 014 LLO 21.00

FILED IN:
Transnation Title

APR 10 1998

DFT 002274

GROUND LESSOR'S ESTOPPEL CERTIFICATE

This Agreement is made and entered into as of the 6th day of April, 1998, by and among SABEY CORPORATION, a Washington corporation ("Tenant"), NORTHWESTERN TRUST AND INVESTORS ADVISORY COMPANY, successor Co-Trustee to SEAFIRST BANK, as Co-trustee under the Will of Giuseppe Desimone, deceased, and as Co-Trustee under the Will of Assunta Desimone, deceased; and SUZANNE M. HITTMAN, as Co-Trustee under the Will of Giuseppe Desimone, deceased, and as Co-Trustee under the Will of Assunta Desimone, deceased; JACQUELINE E. DANIELI, as Co-Trustee under the Will of Giuseppe Desimone, deceased, and as Co-Trustee under the Will of Assunta Desimone, deceased (collectively, "Landlord"), and ITLA FUNDING CORPORATION, a Delaware corporation ("Bank").

RECITALS

A. Landlord is the owner and lessor of real property legally described on Exhibit A attached hereto (the "Property").

B. Landlord is the lessor and Tenant is the lessee under that certain ground lease dated June 1, 1987, as amended by amendment to ground lease dated October 27, 1987, as further amended by amendment to ground lease dated October 20, 1995 and as further amended by March 31, 1997 amendment to Oxbow ground leases, including Addendum No. 1 thereto (collectively, the "Ground Lease").

C. Bank and Tenant are parties to an executed loan commitment under which Bank has agreed to advance to Tenant the maximum amount of \$11,500,000 (the "Loan") to provide permanent financing for a commercial building located on the Property.

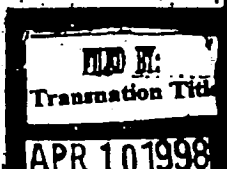
D. As an inducement to Bank to loan funds to Tenant, and as additional security for the loan of such funds, Bank requires from Landlord the representations, warranties and covenants contained in this Agreement. Landlord acknowledges that Bank and Tenant have negotiated their loan agreement in reliance on this Agreement.

FOR AND IN CONSIDERATION of the benefits to be derived from Bank's loan of funds to Tenant, the parties agree as follows:

AGREEMENT

1. Consent. Landlord understands and acknowledges that Tenant's leasehold interest will be encumbered by the lien of a deed of trust, security agreement, assignment of leases and rents and fixture filing in favor of Bank (the "Deed of Trust") and hereby consents to such encumbrance. The Deed of Trust will secure the payment of a Note with an original principal amount of not to exceed \$11,500,000 (the "Note"). All of the leasehold mortgagee protection provisions contained in the Ground Lease are hereby incorporated into this Ground

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Lessor's Estoppel Certificate by reference and restated and confirmed by Landlord for the benefit of the Bank and its successors and assigns.

2. Estoppel. Landlord and Tenant represent and warrant that:

(a) Attached hereto as Exhibit B is a true, correct and complete copy of the Ground Lease together with all amendments thereto.

(b) The Ground Lease is unmodified and in full force and effect. The Ground Lease constitutes the entire agreement of Landlord and Tenant with respect to the Property and there are no other agreements or understandings, verbal or written, which affect the rights and liabilities of Landlord and Tenant to one another with respect to the Ground Lease and the Property.

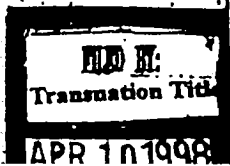
(c) Except as provided in paragraph 2(d) herein, there is no default under the Ground Lease in payment of rent or, insofar as Landlord is presently aware, in the observance or performance of any other covenant or condition to be observed or performed by Tenant or Landlord thereunder and, insofar as Landlord is presently aware, no other event has occurred which does presently or would with the passage of time, the giving of notice or the expiration of a period of grace constitute a default by either party under the Ground Lease or create a right of termination of the Ground Lease by either party.

(d) Except as may be provided herein, there is no unpaid rent due Landlord from Tenant. Tenant's obligation to pay rent to Landlord is governed exclusively by the Ground Lease. Paragraph 4.1 of the Ground Lease provides for a fair market rental value adjustment to be effective June 1, 1997. It provides for a procedure by which that adjustment was to have been determined. The current monthly rent is \$8,778.47. Paragraph 4.3 contains a ceiling on the rental increase, to the effect that it cannot increase more than 75% above its pre-June 1, 1997 level. Therefore, the maximum increased rent due from June 1, 1997 is \$15,362.32. Paragraph 4.1 provides that after the Landlord has furnished Tenant with an appraisal, if the Tenant disagrees with the amount, it shall within thirty days after having received a copy of the appraisal, appoint a second appraiser. Although a copy of the Landlord's appraisal was mailed to Tenant on July 28, Tenant did not appoint its appraiser until September 23. Paragraph 4.1 of the Ground Lease provides that each appraiser shall have thirty days after such appraiser's appointment to arrive at a fair market rental value. The Tenant's appraisal was not received until November 21. Paragraph 4.1 of the Ground Lease provides that if the two appraisals are not within 5% of each other, then the two appraisers shall within ten days appoint a third appraiser. The two appraisers did not appoint a third appraiser within ten days, but they have now appointed a third appraiser, and the three appraisers are in the process of determining the new rent in accordance with the provisions of the Ground Lease.

(e) The Property has been and is presently being used in accordance with the provisions of the Ground Lease.

(f) The Ground Lease term commenced on June 1, 1987 and terminates on May 31, 2007.

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(g) Tenant has irrevocably exercised its option to renew the term of the Lease for an additional term of 25 years, and Tenant and Landlord each acknowledge that the Ground Lease terminates on the last day of May, 2032, unless sooner terminated by virtue of applicable provisions of the Ground Lease relative to Tenant's default, including but not limited to the provision in paragraph 5 of the Ground Lease which provides that the option to renew shall have no force or effect whatsoever, and the Lease shall terminate on the last day of May, 2007, if Lessee is in material default twelve (12) months before the end of the initial term of the Lease.

(h) Tenant has provided insurance as required by the Ground Lease.

(i) The annual rental under the Ground Lease is currently under review pursuant to paragraph 4.1 of the Ground Lease; the maximum current rent will not exceed \$15,362.32 per month. Landlord is the owner of the fee simple interest in the Property and has not mortgaged the fee simple estate in the Property. There are currently no fee simple mortgages, deeds of trust, or other security interests encumbering the fee simple estate in the Property.

3. Notices. Bank, as Tenant's lender, shall be deemed to be "Lessee's Lender" as provided in the Ground Lease and shall be entitled to receive notices of default as provided therein. Notices which Bank is entitled to receive pursuant to this Section 3 shall be delivered in the manner required by the Ground Lease to the address set forth below (or to such other address or addresses as Bank may from time to time designate in writing):

ITLA Funding Corporation
16830 Ventura Boulevard, Suite J
Encino, California 91436

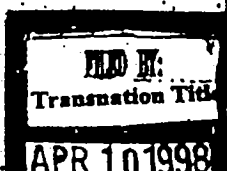
4. Nondisturbance. If Bank becomes the owner of Tenant's leasehold interest in the Property, or if that interest shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust, or if that interest is transferred by deed in lieu of foreclosure, the Ground Lease shall continue in full force and effect as a direct lease for the balance of the term of the Ground Lease between Landlord and Bank, a subsequent transferee of Bank or the purchaser of the leasehold interest at a foreclosure sale.

5. Eminent Domain. Tenant's share of the proceeds arising from an exercise of the power of eminent domain shall be disposed of as provided for by the Deed of Trust. Landlord has not received written notice of any pending eminent domain proceeding or other governmental actions or any judicial actions of any kind against Landlord's interest in the Property.

6. Casualty Loss. The Deed of Trust may provide for a manner for the disposition of insurance proceeds, if any, or for Tenant's interest in such proceeds, and in such event, as it relates to Tenant's interest, the Deed of Trust shall control.

7. No Merger. So long as the Deed of Trust is in existence, unless Bank shall otherwise expressly consent in writing, the fee title to the Property and the leasehold estate of

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Tenant therein created by the Ground Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of such fee title and such leasehold estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

8. Binding Effect. The Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

9. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Washington.

10. Modifications. Landlord and Tenant hereby confirm that if there is any modification to the Ground Lease without prior written consent of the Bank, such modification shall not be binding upon the Bank.

11. Assignment. All references in this Ground Lessor Estoppel Certificate and the Ground Lease to Tenant shall refer to Sabey Corporation and Riverfront Technical Park, LLC, to which Sabey Corporation is transferring all of its right, title and interest in the Ground Lease in connection with obtaining the Loan, and which transfer shall be deemed a permitted transfer by Landlord, but on the express condition that Sabey Corporation remains fully liable to the Ground Lessor for payments and all other obligations due and owing from Ground Lessee to Ground Lessor.

LANDLORD:

NORTHWESTERN TRUST AND INVESTORS
ADVISORY COMPANY

By: *Paul W. Miller*
Its President

Suzanne M. Hittman
SUZANNE M. HITTMAN, as Co-Trustee under
the Will of Giuseppe Desimone deceased and as
Co-Trustee under the Will of Assunta Desimone,
deceased

Jacqueline E. Danieli
JACQUELINE E. DANIELI, as Co-Trustee under
the Will of Giuseppe Desimone deceased and as
Co-Trustee under the Will of Assunta Desimone,
deceased

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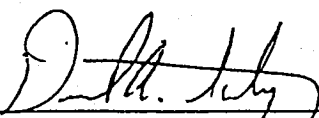
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TENANT:

SABEY CORPORATION, a Washington
corporation

By: 
David A. Sabey, President

BANK:

ITLA FUNDING CORPORATION, a Delaware
corporation

By: _____
Its _____

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FILED BY:
Transaction Title

APR 10 1998

DFT 002279

TENANT:

SABEY CORPORATION, a Washington
corporation

By: _____

David A. Sabey, President

BANK:

ITLA FUNDING CORPORATION, a Delaware
corporation

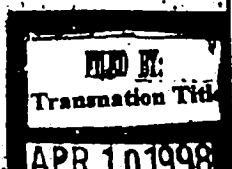
By: _____

Its S. J. P.

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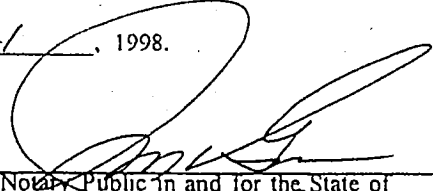
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STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that David C. Williams is the person who appeared before me, signed this instrument, on oath stated that he/she was authorized to execute said instrument as President of NORTHWESTERN TRUST AND INVESTORS ADVISORY COMPANY, to be the free and voluntary act of said corporation, as Co-Trustee under the Will of Giuseppe Desimone, deceased, and Co-Trustee under the Will of Assunta Desimone, deceased, for the uses and purposes mentioned in said foregoing instrument.

Dated this 6th day of April, 1998.

JAMES P. McGOVERN
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 2-22-00


Notary Public in and for the State of
Washington, residing at Seattle

My commission expires 2-22-00

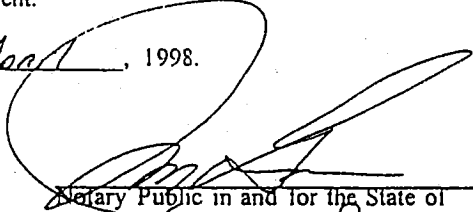
Print name James P. McGovern

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that SUZANNE M. HITTMAN is the person who appeared before me, signed this instrument and acknowledged it to be her free and voluntary act and deed, as Co-Trustee under the Will of Giuseppe Desimone, deceased, and Co-Trustee under the Will of Assunta Desimone, deceased, for the uses and purposes mentioned in said foregoing instrument.

Dated this 6th day of April, 1998.

JAMES P. McGOVERN
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 2-22-00


Notary Public in and for the State of
Washington, residing at SEATTLE

My commission expires 2-22-00

Print name James P. McGovern

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DFT 002281

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that JACQUELINE E. DANIELI is the person who appeared before me, signed this instrument and acknowledged it to be her free and voluntary act and deed, as Co-Trustee under the Will of Giuseppe Desimone, deceased, and Co-Trustee under the Will of Assunta Desimone, deceased, for the uses and purposes mentioned in said foregoing instrument.

Dated this 6th day of April, 1998.

JAMES P. McGOVERN
STATE OF WASHINGTON
NOTARY --- PUBLIC
MY COMMISSION EXPIRES 2-22-00

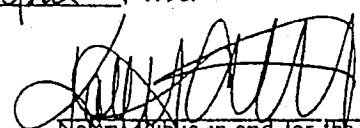

Notary Public in and for the State of
Washington, residing at Seattle
My commission expires 2-22-00
Print name James P. McGovern

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that DAVID A. SABEY is the person who appeared before me, signed this instrument, on oath stated that he was authorized to execute said instrument as President of SABEY CORPORATION, a corporation, to be the free and voluntary act of said corporation, for the uses and purposes mentioned in said foregoing instrument.

Dated this 9th day of April, 1998.

KATHLEEN C. McCUSKER
STATE OF WASHINGTON
NOTARY ---- PUBLIC
MY COMMISSION EXPIRES 12-09-01


Notary Public in and for the State of
Washington, residing at Woodinville
My commission expires 12/9/01
Print name Kathleen C. McCusker

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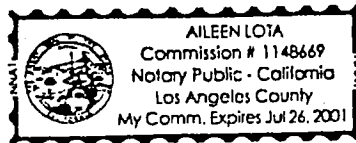
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STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES) : ss.

I certify that I know or have satisfactory evidence that Rick Barker is the person who appeared before me, signed this instrument, on oath stated that he was authorized to execute said instrument as Senior Vice President ITLA FUNDING CORPORATION, a corporation, to be the free and voluntary act of said corporation, for the uses and purposes mentioned in said foregoing instrument.

Dated this 10th day of April, 1998.

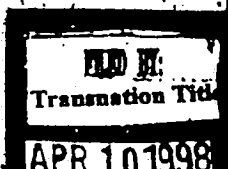


Aileen Lota
Notary Public in and for the State of California
Washington, residing at Van Nuys, CA
My commission expires July 26, 2001
Print name Aileen Lota

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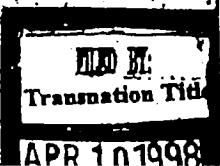


DFT 002283

EXHIBIT A

The land is located in the county of King, state of Washington, and is described as follows:

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DFT 002284

LEGAL DESCRIPTION:

THAT CERTAIN LEASEHOLD ESTATE IN THE FOLLOWING DESCRIBED REAL PROPERTY CREATED BY LEASE, AS FOLLOWS:

MEMORANDUM OF LEASE:

LESSOR:

Northwestern Trust and Investors Advisory Company, Successor Co-Trustee to Seafirst Bank, Co-Trustee under the will of Giuseppe Desimone, deceased, and as Co-Trustee under the will of Assunta Desimone, deceased; and Suzanne M. Hittman, as Co-Trustee under the will of Giuseppe Desimone, deceased, and as Co-Trustee under the will of Assunta Desimone, deceased; and Jacqueline E Danieli, as Co-Trustee under the will of Giuseppe Desimone, deceased, and as Co-Trustee under the will of Assunta Desimone, deceased Sabey Corporation, a Washington corporation

LESSEE:

DATED:

July 15, 1997

RECORDED:

July 16, 1997

RECORDING NO.:

9707161207

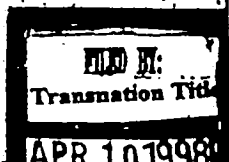
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Said Memorandum of Lease evidences an amendment to that certain lease between Rainier National Bank, Mondo Desimone and Rose D. Maselli, as Co-Trustees under the will of Giuseppe Desimone, deceased, and Co-Executors of the Estate of Assunta Desimone, deceased, and Katherine M. Desimone, individually and as Trustee under the will of Richard L. Desimone, deceased, as Lessor and Sabey Corporation, a Washington corporation, as Lessee, as recorded under Recording No. 8707171034, as subsequently modified by unrecorded amendments dated October 27, 1987, October 20, 1995, March 31, 1997 and by Addendum No. 1, made effective March 31, 1997, and partially assigned to Oxbow Holdings, Inc., by instrument recorded under Recording No. 9601020489.

The lessee's interest in said lease has been assigned to Riverfront Technical Park, LLC, a Washington limited liability company, by instrument recorded under Recording No.

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DFT 002285



THAT PORTION OF THE SOUTHEAST 1/4 OF SECTION 4, TOWNSHIP 23 NORTH, RANGE 4 EAST W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 11 IN SAID SECTION 4;
THENCE ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 11, SOUTH 89°22'06" EAST, 988.27 FEET;
THENCE NORTH 14°45'08" WEST, 477.09 FEET TO AN INTERSECTION WITH THE NORTH LINE OF THE SOUTH 460 FEET OF SAID GOVERNMENT LOT 11 OF SECTION 4 AND THE NORTHEASTERLY MARGIN OF PRIMARY STATE HIGHWAY NO. 1 AS ESTABLISHED BY KING COUNTY SUPERIOR COURT CAUSE NO. 529021;
THENCE ALONG SAID NORTHEASTERLY MARGIN, NORTH 14°45'08" WEST, 689.81 FEET TO THE SOUTHWESTERLY MARGIN OF THAT 200 FOOT SEATTLE TRANSMISSION LINE AS ESTABLISHED BY ORDINANCE NO. 82986 OF THE CITY OF SEATTLE, AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 469557;
THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN, NORTH 14°45'08" WEST, 22.70 FEET TO A POINT OF SPIRAL CURVATURE;
THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN ALONG A SPIRAL CURVE TO THE LEFT, THE CHORD OF WHICH BEARS NORTH 15°07'51" WEST 152.94 FEET TO A POINT OF SIMPLE CURVATURE;
THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN, NORTHWESTERLY 340.67 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 3,970.00 FEET, THE RADIUS POINT OF WHICH BEARS SOUTH 74°07'22" WEST, THROUGH A CENTRAL ANGLE OF 04°55'00";
THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN, NORTH 11°24'57" EAST, 327.11 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUE NORTH 11°24'57" EAST ALONG SAID NORTHEASTERLY MARGIN, 61.40 FEET TO A POINT OF SIMPLE CURVE;
THENCE CONTINUING ALONG SAID NORTHEASTERLY MARGIN, NORTHWESTERLY 191.54 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 4,190.00 FEET, THE RADIUS POINT OF WHICH BEARS SOUTH 64°42'23" WEST, THROUGH A CENTRAL ANGLE OF 02°37'29";
THENCE NORTH 27°01'05" EAST, 89.78 FEET;
THENCE NORTH 48°11'59" EAST, 442.51 FEET;
THENCE SOUTH 41°52'02" EAST, 881.11 FEET;
THENCE SOUTH 48°05'28" WEST, 406.87 FEET;
THENCE NORTH 41°52'51" WEST, 627.47 FEET;
THENCE SOUTH 48°11'44" WEST, 218.98 FEET MORE OR LESS TO THE POINT OF BEGINNING;

(ALSO KNOWN AS LOT 1 OF BOUNDARY LINE ADJUSTMENT NUMBER L96-0002 RECORDED UNDER RECORDING NO. 9707090733);

SITUATE IN THE CITY OF TUKWILA, COUNTY OF KING, STATE OF WASHINGTON.

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EXHIBIT B

Attach Copy of Ground Lease

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